

Case No. 2022-00349  
City of Harrodsburg Water Department  
Response to Commission Staff's Second Request for Information

**Commission Staff 2-1:**

Explain in detail how Harrodsburg calculated the rates for North Mercer Water District (North Mercer District) in its proposed tariff. Provide all calculations and a cost-of-service study if one was performed in examining the rates for North Mercer District.

**Response:** Harrodsburg did not have a formal cost-of-service study performed to determine the proposed rate increase to North Mercer Water District. The proposed increase is based, in part, on the contract between Harrodsburg and North Mercer Water District states, "In the event the City should increase or decrease its rates of charge to its customers, an equal increase or decrease will be made in its charges to the District." Harrodsburg increased its rates to the retail customers and is proposing to increase the rate to its wholesale customers to an equal amount as its retail customers, as required by the water purchase agreement.

Harrodsburg believes that the proposed increase of less than 11% is reasonable, as demonstrated by the calculation provided in response to Item 2 of the Initial Request for Information that indicates Harrodsburg could justify a 34.73% increase.

**Witness:** Amy Kays-Huffman

Case No. 2022-00349  
City of Harrodsburg Water Department  
Response to Commission Staff's Second Request for Information

**Commission Staff 2-2:**

Refer to Harrodsburg's Motion to Accept the Filing of the Proposed Tariff on Rate Case Surcharge. Provide supporting invoices and detailed explanations of services provided and the supporting calculation for Harrodsburg's proposed 36-month surcharge in the amount of \$694.44 per month.

**Response:** The amount of \$694.44 was based on a total estimated rate case expense of \$50,000. The attached invoices and documentation demonstrate that Harrodsburg has incurred \$9,8884.40 in legal fees related to this rate case. If an order approving the wholesale rates is issued by the Commission without additional discovery or hearing, Harrodsburg will have slightly more legal expenses associated with closing the case. Under these circumstances, Harrodsburg recommends a rate case expense surcharge of \$150.00 for 36 months for each of the two wholesale customers, which would reflect a total rate case expense of \$10,800.

**Witness:** Amy Kays-Huffman



**Sturgill, Turner, Barker & Moloney, PLLC**  
 333 West Vine Street, Suite 1500  
 Lexington, KY 40507  
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 www.sturgillturner.com  
 Employer I.D. No. 61-0576615

Mayor William Whitenack  
 City of Harrodsburg  
 Municipal Building  
 208 S Main Street  
 Harrodsburg, KY 40330

**INVOICE OF SERVICES**

Invoice Date: 11/02/2022  
 Invoice No: 163873  
 Account No: 64718.0003

**Harrodsburg Water Dept/PSC/Wholesale Rates**

				Hours		
10/26/2022	CDC	C100	A106	Communicate (with client) -- initial fact finding call with city's water department regarding rate increase denied	0.20	
	CDC	L190	A106	Communicate (with client) -- telephone conference with mayor regarding this new assignment, rates and approval (N/C)		N/C
10/29/2022	MTO	L310	A104	Review PSC filing and order; draft Entry of Appearance; draft email to A. Kays	0.50	
				For Current Services Rendered	0.70	192.50

**Recapitulation**

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Charles D. Cole	Member	0.20	\$275.00	\$55.00
M. Todd Osterloh	Member	0.50	275.00	137.50
Total Current Work				192.50
Balance Due				<u>\$192.50</u>

**Task Code Summary**

		<u>Fees</u>	<u>Expenses</u>
C100	Fact Gathering	55.00	0.00
C100	Fact Gathering	55.00	0.00
L310	Written Discovery	137.50	0.00
L300	Do Not Use - See L310-L390 Discovery	137.50	0.00

**PAYMENT DUE UPON RECEIPT**  
 To ensure proper credit to your account  
 Please write Account 64718.0003 on your check  
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**INVOICE OF SERVICES**

Invoice Date: 12/13/2022  
 Invoice No: 166574  
 Account No: 64718.0003

**Harrodsburg Water Dept/PSC/Wholesale Rates**

					Hours
11/14/2022	MTO	L120	A104	Review requests for information issued by PSC Staff; draft email to Amy K regarding same	0.30
11/15/2022	MHP	L440	A101	Prepare response template to STAFF's first request for information to City of Harrodsburg Water Department for distribution to client	1.10
	MTO	L120	A106	Communicate (with client) with A. Kays regarding requests for information	0.50
	MTO	L120	A105	Communicate with R. Price regarding responses to RFI and testimony	0.40
	MHP	L110	A101	Prepare OneDrive link to obtain documents from Harrodsburg Water Department regarding new Rate Case with PSC	0.20
	RCP	L310	A103	Review of issues from first data request from Commission staff and present to client.	2.70
	RCP	L310	A106	Call with Amy Kays regarding discovery responses.	0.50
	RCP	L310	A106	Follow up with Amy Kays regarding discovery responses	0.60
	RCP	L210	A103	Review documents for submission with rate case filings and discovery responses.	0.50
11/17/2022	RCP	L210	A103	Draft/revise motion to file tariff on rate case surcharge.	1.90
11/18/2022	RCP	L210	A103	Prepare motion for confidential treatment for response to PSC discovery requests.	1.90
	RCP	L210	A106	Email Amy Kays regarding discovery request responses and testimony.	0.10
	RCP	L210	A103	Preparation of tariff for rate surcharge.	0.20

Harrodsburg Water Dept/PSC/Wholesale Rates

				Hours			
11/21/2022	RCP	L210	A106	Call Amy Kays regarding discovery request responses progress and submission.	0.10		
	RCP	L210	A106	Call Shavonna Huffman regarding discovery requests and document production.	0.20		
	RCP	L210	A103	Preparation of rate surcharge filing.	0.70		
	RCP	L210	A103	Prepare notice of rate surcharge tariff for publication.	0.70		
	RCP	L210	A106	Multiple calls with Shavonna Huffman regarding discovery request responses.	0.30		
11/22/2022	RCP	L120	A106	Communicate (with client) call with Shavonna Huffman regarding discovery responses	0.20		
	RCP	L120	A103	Draft/revise motion for extension of discovery request responses to be due after holiday and file with PSC	2.80		
11/30/2022	RCP	L210	A106	Communicate (with client) email A. Kays and S. Huffman regarding PSC Order granting extension for data request responses	0.10		
				For Current Services Rendered	16.00	3,153.50	

**Recapitulation**

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	Member	1.20	\$275.00	\$330.00
Rebecca C. Price	Associate	13.50	200.00	2,700.00
Michael H. Peyton	Paralegal	1.30	95.00	123.50
Total Current Work				3,153.50
Previous Balance				\$192.50
11/29/2022	Thank you for your payment.			-192.50
Balance Due				\$3,153.50

**Task Code Summary**

		<u>Fees</u>	<u>Expenses</u>
L110	Fact Investigation/Development	19.00	0.00
L120	Analysis/Strategy	930.00	0.00
L100	Do not Use-See L110-L190 Case Assessment,Development &Admin	949.00	0.00
L210	Pleadings	1340.00	0.00
L200	Do Not Use-See L210-L260 Pre-Trial Pleadings & Motions	1,340.00	0.00
L310	Written Discovery	760.00	0.00

City of Harrodsburg

Page. 3  
12/13/2022  
Account No. 64718-0003M  
Invoice No. 166574

Harrodsburg Water Dept/PSC/Wholesale Rates

		<u>Fees</u>	<u>Expenses</u>
L300	Do Not Use - See L310-L390 Discovery	760.00	0.00
L440	Other Trial Preparation and Support	104.50	0.00
L400	Do Not Use See - L410 - L470 Trial Preparation & Trial	104.50	0.00

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**INVOICE OF SERVICES**

Invoice Date: 01/04/2023  
 Invoice No: 167233  
 Account No: 64718.0003

**Harrodsburg Water Dept/PSC/Wholesale Rates**

					Hours
12/07/2022	MHP	L110	A101	Prepare documents for responses to data requests from the Public Service Commission	0.10
	MTO	L120	A104	Review materials related to responses to data requests	1.00
	RCP	L210	A106	Call with A. Kays and S. Huffman regarding completion of discovery responses.	0.20
	RCP	L210	A106	Calls with S. Huffman regarding discovery responses.	0.80
	RCP	L210	A104	Review materials for discovery request responses from Harrodsburg.	1.00
12/08/2022	MTO	L310	A104	Review DR responses and related materials; draft comments/questions.	2.80
	RCP	L210	A106	Communicate (with client) with A. Kays-Huffman and S. Huffman to discuss rate case DR filing	0.30
12/09/2022	MTO	L120	A106	Communicate (with client) - phone call with A. Kays to discuss DR responses	0.90
	MTO	L120	A106	Communicate (with client) with M. Young regarding City's audit	0.30
	MHP	L430	A101	Prepare responses to Data Requests for filing with the Public Service Commission	0.80
	MTO	L310	A104	Review information related to City's revenues and expenses for rate case	3.40
	RCP	L120	A104	Review documents and responses for DR request submission	0.80
	RCP	L120	A106	Communicate (with client) meeting with A. Kays-Huffman regarding DR responses and finalization	0.70

Harrodsburg Water Dept/PSC/Wholesale Rates

				Hours		
	RCP	L120	A103	Draft/revise prepare affidavit for testimony and the certification of DR responses to A. Kays-Huffman for filing with DR responses	0.60	
12/12/2022	MHP	L430	A101	Prepare responses to Data Requests for filing with the Public Service Commission by redacting personal information for individuals not party to rate case, combining files, and preparing documents for filing	6.60	
	MTO	L310	A103	Draft/revise - finalize responses to PSC data request; communicate with A. Kays-Huffman, S. Huffman, D. Baker, R. Price, and M. Peyton regarding same.	2.50	
	RCP	L210	A104	Review A. Kays' testimony for discovery request responses.	1.40	
	RCP	L210	A103	Prepare certification of discovery request responses and testimony affidavit for filing.	0.20	
	RCP	L210	A103	Finalize filing of discovery request responses.	2.90	
	RCP	L210	A103	Draft Read First for filing of discovery request responses.	0.20	
12/19/2022	MTO	L120	A103	Draft/revise motion for inclusion of rate case expense surcharge; draft tariff and notice; communicate with A. Kays regarding same.	1.50	
12/27/2022	MHP	L310	A101	Prepare response template to STAFF's Second request for information to City of Harrodsburg Water Department for distribution to client	0.30	
				For Current Services Rendered	29.30	5,971.00

**Recapitulation**

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
M. Todd Osterloh	Member	12.40	\$275.00	\$3,410.00
Rebecca C. Price	Associate	9.10	200.00	1,820.00
Michael H. Peyton	Paralegal	7.80	95.00	741.00

**Costs**

12/12/2022	L110	E101	362 Document Reproduction	72.40
			E101 (653) Document Reproduction	72.40
			Total Costs Thru 12/31/2022	72.40
			Total Current Work	6,043.40



City of Harrodsburg

Page. 3  
01/04/2023  
Account No. 64718-0003M  
Invoice No. 167233

Harrodsburg Water Dept/PSC/Wholesale Rates

Previous Balance \$3,153.50

Balance Due \$9,196.90

Task Code Summary

		<u>Fees</u>	<u>Expenses</u>
L110	Fact Investigation/Development	9.50	72.40
L120	Analysis/Strategy	1437.50	0.00
L100	Do not Use-See L110-L190 Case Assessment,Development &Admin	1,447.00	72.40
L210	Pleadings	1400.00	0.00
L200	Do Not Use-See L210-L260 Pre-Trial Pleadings & Motions	1,400.00	0.00
L310	Written Discovery	2421.00	0.00
L300	Do Not Use - See L310-L390 Discovery	2,421.00	0.00
L430	Written Motions and Submissions	703.00	0.00
L400	Do Not Use See - L410 - L470 Trial Preparation & Trial	703.00	0.00

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**Detail Fee Transaction File List**  
Sturgill, Turner, Barker & Moloney, PLLC

<u>Client</u>	<u>Trans Date</u>	<u>Tkpr</u>	<u>Check Number</u>	<u>B C</u>	<u>Rate</u>	<u>Hours to Bill</u>	<u>Amount</u>	<u>Ref #</u>	
<b>Statement Date mm/dd/yyyy</b>									
64718.0003	01/10/2023	MTO			275.00	1.10	302.50	Draft/revise responses to data requests and review related information City of Harrodsburg	48
64718.0003	01/12/2023	MTO			275.00	0.70	192.50	Harrodsburg Water Dept/PSC/Wholesale Rates Draft/revise - finalize DR responses City of Harrodsburg Harrodsburg Water Dept/PSC/Wholesale Rates	47
Subtotal for Tcode 1					Billable	1.80	495.00		
<b>Total for Statement Date mm/dd/yyyy</b>					Billable	1.80	495.00		
<b>GRAND TOTALS</b>									
					Billable	1.80	495.00		

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

ELECTRONIC TARIFF FILING OF THE )  
CITY OF HARRODSBURG WATER DEPT. )  
REVISING ITS WHOLESALE WATER )  
SERVICE RATE )

Case No. 2022-00349

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**CERTIFICATION**

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This is to certify that I have supervised the preparation of the City of Harrodsburg's responses to the Public Service Commission's Second Data Request and that the responses to the request are true and accurate to the best of my knowledge, information, and belief after reasonable inquiry.

Date: 1/12/2023

Amy Kays-Huffman

Amy Kays-Huffman  
Water Billing Administrator  
City of Harrodsburg